

**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF MINNESOTA**

BKY No. 09-50779

---

In re:

Dennis E. Hecker,

Debtor.

---

Randall L. Seaver, Trustee,

ADV No. 10-05011

Plaintiff,

vs.

**AMENDED COMPLAINT**

Northstate Financial Corporation,  
Rosedale Leasing, LLC, and Bremer Bank, N.A.,

Defendants.

---

Randall L. Seaver, Trustee (“**Trustee**”) of the Bankruptcy Estate of Dennis E. Hecker as and for his Amended Complaint against Defendants Northstate Financial Corporation, Rosedale Leasing, LLC, and Bremer Bank N.A., states and alleges as follows:

1. The Trustee is the duly appointed Chapter 7 Trustee of the bankruptcy estate of the Debtor.
2. The Debtor, Dennis E. Hecker, filed his voluntary Chapter 7 bankruptcy petition on June 4, 2009 (“**Petition Date**”).
3. This Amended Complaint is brought under Bankruptcy Rule 7001, and this action arises under 11 U.S.C. §§544, 547, 548, 549 and 550, Minn. Stat. §§513.44 and 513.45, and other applicable federal and state law.
4. This Court has jurisdiction over this adversary proceeding, and this adversary proceeding is authorized under 28 U.S.C. §§157 and 1334, Bankruptcy Rule 7001, and Local Rule 1070-1.

5. According to Hecker's bankruptcy schedules, Defendant Northstate Financial Corporation ("**Northstate**") is a Minnesota corporation which was 100% owned and controlled by Dennis E. Hecker ("**Hecker**").

6. Northstate is an insider affiliate of Hecker under 11 U.S.C. §101(31)(A)(iv).

7. On information and belief, Defendant Bremer Bank, N.A. ("**Bremer**") is a national banking association with an office at 633 South Concord Street, South St. Paul, MN 55075.

8. According to Hecker's bankruptcy schedules, Defendant Rosedale Leasing, LLC ("**Rosedale Leasing**") is a Minnesota limited liability corporation which is owned by Rosedale Dodge, Inc., which, in turn, was 100% owned by Hecker.

9. Rosedale Leasing is an insider affiliate of Hecker under 11 U.S.C. §101(31)(A)(iv).

10. Upon information and belief, the items of personal property identified on Amended Exhibit A hereto (the "**Personal Property**") were nominally owned or titled in whole or in part by either Northstate or Rosedale Leasing as described in Amended Exhibit A.

11. Upon information and belief, Northstate did not operate as a business engaged in the purchase and sale of personal property but simply nominally held some or all of the Personal Property for the benefit of Hecker.

12. Upon information and belief, Rosedale Leasing did not operate as a business engaged in the purchase and sale of personal property but simply nominally held some or all of the Personal Property for the benefit of Hecker.

13. Northstate is the alter ego of the Debtor, and its purported Personal Property ownership existed solely to protect assets of the Debtor and, recognizing the separate corporate status would result in substantial unfairness to the creditors of this estate.

14. Debtor was simply dealing with his own property through Northstate as absolutely as he might deal with it as an individual. As such, applying the corporate fiction would accomplish a fraudulent purpose, operate as a constructive fraud, and defeat strong equitable claims.

15. Rosedale Leasing is the alter ego of the Debtor, and its purported Personal Property ownership existed solely to protect assets of the Debtor and, recognizing the separate corporate status would result in substantial unfairness to the creditors of this estate.

16. Debtor was simply dealing with his own property through Rosedale Leasing as absolutely as he might deal with it as an individual. As such, applying the corporate fiction would accomplish a fraudulent purpose, operate as a constructive fraud, and defeat strong equitable claims.

17. The 2006 and 2007 tax returns of Northstate make no mention of the Personal Property.

18. The September 30, 2007 and September 30, 2008 balance sheets and lending certificates provided by Northstate to Bremer make no mention of the Personal Property.

19. Documents produced by Bremer relating to loans to Northstate contain no mention of the Personal Property.

20. On information and belief, at all times relevant, Hecker has maintained possession, use and control of the Personal Property.

21. Alternatively, all purchases of the Personal Property by Northstate and Rosedale Leasing were constructive dividends or distributions to Hecker, and the Personal Property was Hecker's property, and is now estate property.

22. Upon information and belief, on the Petition Date, Bremer may claim some interest in property of Northstate as evidenced by one or more of: (a) a UCC financing statement filed with the Minnesota Secretary of State on July 2, 1994 as Filing Number 1690557; (b) an

amendment filed on May 3, 1999 as Filing Number 2127833; (c) a Continuation Statement filed May 3, 1999 as Filing Number 2127834; (d) a Continuation Statement filed on February 27, 2004 as Filing Number 20041075140; or (e) a Continuation Statement filed June 26, 2009 as Filing Number 20091655583.

23. Upon information and belief, neither Bremer nor any other entity is identified as a secured party on the title certificates for any of the Personal Property for which title certificates exist.

24. Upon information and belief, Rosedale Leasing may claim an interest as co-owner or otherwise in the Personal Property.

#### **COUNT I - DECLARATORY RELIEF**

25. Plaintiff realleges the foregoing Paragraphs of his Amended Adversary Complaint.

26. Plaintiff is entitled to declaratory relief pursuant to Minn. Stat. Ch. 555 and 11 U.S.C. §541 determining that:

a. The Debtor and Northstate are alter egos and that the Personal Property nominally titled in the name of Northstate is truly property of the estate at all times material herein;

b. The corporate fiction of Northstate should be disregarded for purposes of this bankruptcy case;

c. That Bremer has no interest in the Personal Property;

d. The Debtor and Rosedale Leasing are alter egos and that the Personal Property nominally titled in the name of Rosedale Leasing is truly property of the estate at all times material herein;

e. The corporate fiction of Rosedale Leasing should be disregarded for purposes of this bankruptcy case;

f. Alternatively, all purchases of the Personal Property by Northstate and Rosedale Leasing were constructive dividends or distributions to Hecker and the Personal Property was Hecker's property from the time of purchase is now estate property.

**WHEREFORE**, the Trustee respectfully requests that the Court enter an Order and Judgment against the Defendants as follows:

1. Pursuant to Count I, determining that: (a) the corporate fiction of Northstate and Rosedale Leasing be disregarded, (b) the Personal Property held in their names is property of this estate, and (c) Bremer has no liens or interests in the Personal Property;

2 Awarding Randall L. Seaver, Trustee, his costs, disbursements and attorneys' fees as allowed by law; and

3. For such other and further relief as the Court deems just and equitable.

Dated: March 25, 2010

LAPP, LIBRA, THOMSON, STOEbNER  
& PUSCH, CHARTERED

By: /e/ Ralph V. Mitchell  
Ralph V. Mitchell (#184639)  
One Financial Plaza, Suite 2500  
120 South Sixth Street  
Minneapolis, MN 55402  
T (612) 338-5815  
F (612) 338-6651  
[RMitchell@lapplibra.com](mailto:RMitchell@lapplibra.com)

**ATTORNEYS FOR PLAINTIFF**

# **AMENDED EXHIBIT A**

**AMENDED EXHIBIT A**

- 1 ● 2006 Harley 883 VIN 1HD4CJM146K443782 **(North State Financial)**
- 2 ● Cadillac Escalade elec. 2 seat golf cart **(No Registration Needed)**
- 3 ● 2008 Polaris 250 ATV VIN 061985 Plate 076UL **(Registered as 50 Polaris T020211 – Dennis Hecker)**
- 4 ● Polaris 90 ATV VIN 3948
- 5 ● 1994 Harley Davidson Softail Plate 42-984 MC VIN 1HD1BNL1XRY023699 **(North State Financial)**
- 6 ● Yamaha 50 dirt bike VIN 17744 **(Doesn't come up)**
- 7 ● Yamaha TTR 125 dirt bike VIN 9C6CE11Y260609083 **('06 dirt bike, registration 869VX – Jason Marco Uizi)**
- 8 ● Mitsubishi Spider GTS convertible car Plate MCW-719, VIN 4A3AE75H94E12338 **(Not on file)**
- 9 ● 2007 Edgewater 145cc boat MN 1206 KE VIN DMA05382F607 **(North State Financial)**
- 10 ● Yamaha 60 HP OB
- 11 ● Eagle Trailer Plate ACAC 017 **(Rosedale Leasing LLC)**
- 12 ● Yacht trailer plate 2377ccT **(Rosedale Leasing LLC & Dennis Hecker)**
- 13 ● 2005 Cobalt 343 boat MN 6561 KB VIN FGE34050B505 **(North State Financial)**
- 14 ● Eagle trailer VIN 255695 **(Not on file)**
- 15 ● 2003 Nautic boat MN 7622 JR VIN PTJ14634H303 **(North State Financial)**
- 16 ● Yamaha 50 HP OB
- 17 ● Trailer VIN 000062 **(Not on file)**
- 18 ● JD Gator TS utility cart **(No Registration Needed)**
- 19 ● Bad Boy S/N B4294 elec. 4x4 2 seat cart VIN 00484 **(No Registration Needed)**
- 20 ● Tom Car 2 seat VIN PTUL313 VIN KF2277TLGA6PTV303 **(No Registration Needed)**
- 21 ● 2004 Haulmark trailer Plate CRT0575, VIN 118623 **(North State Financial)**
- 22 ● 2004 Escalade VIN 1GYEK63N14R268187 Plate 695 CJN **(North State Financial)**
- 23 ● 2003 HD VRod VIN 1HD1HAZ473KX43323 Plate 88686MD **(North State Financial)**
- 24 ● 2006 Arctic Cat Z-340 HM9391-08 **(North State Financial)**
- 25 ● 2003 Vespa 50 VIN 055606 **(Rosedale Leasing)**
- 26 ● 2006 Harley Davidson VRod VIN 1HD1PPG176K977610 **(Not on file)**
- 27 ● 2007 Harley Davidson 1HD1PT9147Y951535 **(Rosedale Leasing, LLC)**
- 28 ● 2002 Mitsubishi Montero Limited, VIN JA4MW51RX2J002999 **(No registration)**